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Analysis and  
Evaluation

# **Characteristics of Long-Term Participants in the Food Stamp Program**

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**CHARACTERISTICS OF  
LONG-TERM PARTICIPANTS  
IN THE FOOD STAMP PROGRAM**

**FINAL REPORT**

**December 1992**

**Barbara Fay Murphy  
Office of Analysis and Evaluation  
Food and Nutrition Service**

**Marielouise Harrell  
Sigma One Corporation**

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## **EXECUTIVE SUMMARY**

### **Characteristics of Long-Term Participants in the Food Stamp Program**

In the annals of research on participants in Federal assistance programs, three distinct groups of participants emerge -- those who rely on assistance to get them over a short period of difficulty, those who depend on assistance continually for a significant part of their lives, and those who receive assistance sporadically throughout their lives, but still rely on assistance for a substantial amount of time. While the existence of these distinct groups is accepted, little is known about their size or characteristics. It is likely that the characteristics of these groups vary considerably and that these differences may provide an understanding of why some people receive assistance for short periods of time while others seem unable to break out of the poverty trap.

This study uses the 1987 Survey of Income and Program Participation (SIPP) to describe time patterns of Food Stamp Program (FSP) participation. Participants who had only one participation spell during the survey period were classified as either short-term (on the program 8 months or less), medium-term (on the program 9-23 months) or long-term participants (on the program 24 months or longer). Persons who were on and off the FSP during the survey were classified as multiple-spell participants. Each group is described in terms of the proportion of the FSP they represent, the share of total benefits they receive, and the characteristics they share as distinct groups.

The study looked at both a cross-section of participants who were on the FSP in the first month of the survey (the cross-sectional cohort) and at all individuals who participated in the FSP for at least one month of the October 1986 through March 1989 survey period (the full panel population). From either perspective, a substantial proportion of FSP participants in the SIPP Panel were long-term participants (59 percent of the cross-sectional cohort and 33 percent of the full panel population). In fact, when taking multiple-spell participants into account, of the estimated 18.8 million persons who participated in the FSP at the beginning of the survey period, 11.6 million persons (62 percent) were also on the program at the end of the panel period 28 months later.

Not surprisingly, the groups most dependent on assistance (long-term and multiple-spell participants) consumed the majority of program benefits over time. The cross-sectional cohort received \$17.3 billion in benefits during the 28-month survey period. Although long-term participants made up only 59 percent of the cross-sectional population, they consumed 72 percent of the benefits. Multiple-spell participants accounted for an additional 24 percent, so a total of 96 percent of all benefits went to these two groups. Similarly, of the \$21.6 billion in benefits paid to the full panel population, 82 percent went to long-term and multiple-spell participants, although they made up only 58 percent of all participants. Short-term participants, who made up about 29 percent of the population, received only six percent of the benefits.

There were noticeable differences in household composition between long-term, multiple-spell, and other participants. The majority of single-elderly households (60 percent) were long-term participants. Likewise, single-parent households were likely to be dependent on food stamps, either as long-term or multiple-spell participants. In other words, arguably the two most vulnerable groups among the poverty population were the most likely to be dependent on the FSP over time.

Long-term participants were also more likely to be chronically poor. Eighty-nine percent of the long-term participants lived in households with incomes that were below the poverty line in the first month of FSP participation and 60 percent had incomes below poverty for all 28 months of the SIPP Panel. In contrast, only 58 percent of the short-term participants lived in households with incomes below 100 percent of poverty in their first month on the FSP, and only four percent had incomes below poverty in every month. Multiple-spell participants, as expected, were most likely to drift in and out of poverty (76 percent), but were also likely to be poor in their first month of FSP participation (again, 76 percent).

The income long-term participants did receive was more likely to come from public assistance



month, three-quarters of all work registrants are in the midst of a spell that will last two years or more or are likely to return to the program after leaving. Since these groups also consume the greatest amount of program resources over time, targeting them with employment and training services may have the most impact. On the other hand, since so many work registrants are long-term or multiple-spell participants, targeting may not be necessary -- these individuals will show up in employment and training programs as a matter of course.

## **1.0 INTRODUCTION**

The U.S. Department of Agriculture and other Federal agencies have sponsored a great deal of research on the dynamics and determinants of participation in the Food Stamp Program (FSP) and other assistance programs. From this research three groups of participants clearly emerge - those who participate in assistance programs for short periods of financial difficulty, those who depend on assistance for a significant part of their lives, and those who receive assistance sporadically throughout their lives, but still rely on assistance for a substantial amount of time. Although the existence of these three distinct groups is accepted, little is known about their size and characteristics. It is likely that the characteristics of these groups vary considerably and that these differences may provide an understanding of why some people receive assistance for short periods of time while others seem unable to become self-sufficient.

Previous studies that examined the issue of long-term participation in the FSP (Burstein and Visser (1989); Usher et al. (1989)) produced mixed results. Both studies found that a substantial proportion of the FSP population remained on the program for a long time. Burstein and Visser found that certain demographic and income characteristics had significant effects on the duration of FSP spells. In particular, households with more children, those with fewer adults, those with older heads of household and those with African American heads of household were more likely to remain on the FSP for long periods. However, Usher et al. found that the impact of individual and household characteristics on patterns of participation appeared to be weak. Some of the differences in results may be attributable to differences in data sources used for the study. Burstein and Visser studied a nationally representative sample of food stamp participants; Usher

et al. studied a selected group of work registrants in four counties in Alabama and Washington.

This study uses data from the 1987 Survey of Income and Program Participation (SIPP) to describe the time patterns of participation in the FSP. Participants were divided into groups depending on their participation patterns. Each group is described in terms of:

- (a) the proportion of the Food Stamp Program they represent;
- (b) the share of total benefits they receive; and
- (c) the characteristics they share as distinct groups.

There are several alternative ways to measure time patterns of participation in the FSP. One method is to follow an entry cohort (all persons who initially entered the FSP during a given period) for a fixed period of time.<sup>1</sup> A second method is to examine the patterns of participation for a cohort of individuals who receive food stamps in a given month (i.e., follow *all* participants in a particular starting month until they leave the program or the observation period ends). This group will include many people who have received benefits for some (unknown) time and some who have just entered the program. A third method examines the patterns of participation for all persons during a given reference period (e.g., January 1, 1990 through December 31, 1990).

Each method of analysis presents a very different picture of FSP participation patterns.

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<sup>1</sup>This is the method employed by Usher et al. and Burstein.

Examining an entry cohort produces estimates of the proportion of people *entering the program during a given time period who will become* long-term participants. Previous research on FSP participation has used this method of analysis. Looking at all participants at a given point in time, using a cross-sectional cohort, describes how many participants *at a given point in time are or will become* long-term participants. Finally, describing participation patterns over a reference period (a year, two years, etc.) provides a different view of long-term participants. It measures the proportion of *all participants who participated in the FSP for a long time during the reference period*.

The estimates of the share of FSP participants who are long-term participants will be smaller using the third method of analysis as compared to the second method. At any one point in time, long-term participants will dominate the caseload due to the fact that they remain on the program for such a long time.<sup>2</sup> Because of this, the third method allows closer examination of short-term and multiple-spell participation patterns, which may be missed altogether when analyzing a cross-sectional cohort.

Multiple-spell participants are in their own way as dependent on the FSP over time as single-spell participants who stay on the program for one long spell. However, it is likely that the characteristics of multiple-spell participants differ from those of long-term, single-spell participants. Some of these differences may enable these individuals to leave the program for

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<sup>2</sup>David Ellwood (1986) illustrates this point in an analogy of hospital bed usage. While the majority of persons admitted to the hospital will stay for only brief periods, the majority of beds are occupied by long-term care patients.

short periods of time, although they inevitably return.

This study analyzes the 1987 SIPP Panel data<sup>3</sup> using the second and third methods of measuring participation patterns. That is, participation patterns and benefit information are presented for two groups of participants:

- (1) a cross-sectional group of participants who were on the FSP in the first month of the survey<sup>4</sup> (the cross-sectional cohort); and
- (2) all individuals who participated in the FSP for at least one month of the survey period (the full panel population).

For the first group, the cross-sectional cohort of participants, retrospective data are used to adjust the duration of the participation spell which was ongoing in the first month of the survey.<sup>5</sup> For the second group, only FSP participation as reported within the 28 months of the SIPP Panel is used to analyze participation patterns.

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<sup>3</sup>The 1987 SIPP Panel followed individuals for a 28-month period from October 1986 through March 1989. Data were collected in waves of four month intervals, with each wave of data constituting the present information plus a retrospective look at the preceding three months.

<sup>4</sup>The SIPP survey design includes four rotation groups which were interviewed in different months; thus for any individual, the first month of reported data was any month between October 1986 and January 1987.

<sup>5</sup>The 1987 SIPP includes a welfare history module that collects retrospective information on participation in Federally-supported programs prior to the survey period.

Participants who had only one participation spell during the survey period were classified as either short-term (on the program 8 months or less), medium-term (on the program 9-23 months) or long-term participants (on the program 24 months or longer). The cutoff values which distinguished short-term from medium-term participants and medium-term from long-term participants were determined after examining the distribution of the length of time that individuals reported receiving FSP benefits during the 28-month survey period.

Persons who were on and off the FSP during the survey were classified as multiple-spell participants. They were analyzed separately in order to assess if their characteristics were similar or dissimilar to the single-spell participants.

The number of participants and the proportion of long-term participants is highly dependent on the method which is used to define participation. For example, we estimate that 18.8 million persons participated in the FSP in the first month of the panel and that 59 percent were long-term participants. In contrast, we estimate that 28.7 million persons participated in the FSP for at least one month between October 1986 and March 1989 and that 33 percent were long-term participants.

The first estimate describes the participation patterns of a cross-section of participants already on the program; the second describes the participation patterns of all those receiving benefits at any time during the 28-month panel and reflects the familiar pattern of turnover in the FSP (persons who leave the program are replaced by new persons). Aside from the method of

analysis chosen, these estimates vary for other reasons:

- (1) welfare history data are used to adjust the duration of the ongoing participation spell for the cross-sectional cohort of participants;
- (2) persons in the full panel who began participating in the FSP late in the survey may be misclassified as short-term instead of long-term because the true length of their participation is unobservable; and
- (3) analysis of a cross-sectional cohort increases the probability of persons being long-term participants because at any one point in time, the long-term participants will dominate merely because they remain on the program for a longer period of time than other participants.

In addition to quantifying the number of FSP participants and the proportion of the program benefits they receive, the study objectives include an analysis of the characteristics of each participant group. By examining the differences between the participant groups, we may gain further insight into why some people are able to break free from poverty while others not.

The characteristics of FSP participants were examined for both the cross-sectional cohort and the full panel population. The results did not differ appreciably between these two groups, so the study presents the analyses for the full panel population only.

A final question to be addressed is what types of participants are subject to work registration requirements. Work registration requirements are designed to select participants who are more readily employable. Therefore, it is important to know if some portion of those participants who are dependent over time is potentially work-ready and could be targeted for employment and training services. In this study, we simulated the FSP work registration requirements to determine if there were significant differences in the proportion of work registrants for the various participation patterns.



## **2.0 PATTERNS OF PARTICIPATION IN THE FOOD STAMP PROGRAM**

As described earlier, this study examines food stamp participation patterns for two groups:

- (1) a cross-sectional group of participants who were on the FSP in the first month of the 1987 SIPP Panel (the cross-sectional cohort); and
- (2) All individuals in the FSP at any time during the 28 months of the survey period (the full panel population).

For both groups FSP participation patterns are presented for individuals, not households. This is because persons in a given food stamp household may enter or leave the FSP and/or the SIPP Panel during the panel period for a variety of reasons (births and deaths, marriages and divorces), and this can alter the configuration of food stamp households.

Participation categories were defined after examining the number and length of spells for the full panel population. Of the estimated 28.7 million individuals who participated in the FSP for at least one month during the survey period, three out of four (about 21 million) had only one participation spell. The remaining 25 percent (nearly 8 million individuals) had anywhere from two to five participation spells in the 28-month observation period.<sup>6</sup> Participation patterns were

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<sup>6</sup>Less than one percent had four or five participation spells during the 28-month survey period.

examined separately for the single- and multiple- spell participants in order to examine any differences between these two groups.

### Single-Spell Participants

For the single-spell participants in the full panel population, spell length was further categorized as short-term, medium-term, and long-term. The cutoff points for these three categories were determined by looking at the cumulative distribution of spell lengths for all single-spell participants. Figure 1 shows that the median duration for a single spell of participation was 19 months;<sup>7</sup> the average spell length was 16 months out of a maximum of 28 months.

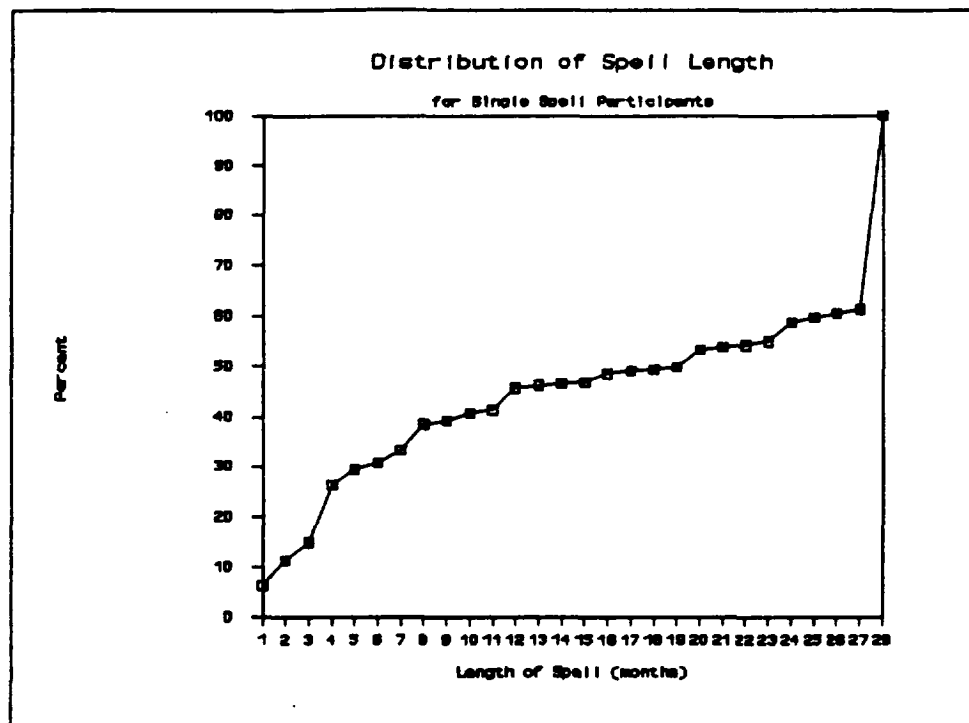
Twenty-six percent of the single-spell participants were on the program for four months or less. An additional 12 percent had spells lasting between five and eight months. After the eighth month there is little change in the probability of exiting from the program from one month to the next. The sharp increase between months 27 and 28 can be explained by the fact that nearly 40 percent of the full panel population participated in the FSP for the entire panel period -- in other words, these individuals remained on the program for *at least* 28 months.

The full panel population was divided into three subsamples to further analyze the participation patterns of this group: (1) those who were on the FSP during the first month of the panel (65

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<sup>7</sup>The sharp jumps in the cumulative distribution plot at four month intervals are a result of the data collection process. SIPP data are collected in waves at four month intervals with each wave of data containing the present information and a retrospective look at the preceding three months.

**Figure 1 Cumulative Distribution of the Length of Time an Individual is on the Food Stamp Program, for Single Spell Participants**



Length of spell is <= months	Cumulative percent	Length of spell in months	Cumulative Frequency
1 month	6.3	15 months	46.8
2 months	11.3	16 months	48.4
3 months	14.9	17 months	49.1
4 months	26.3	18 months	49.3
5 months	29.5	19 months	49.8
6 months	30.6	20 months	53.4
7 months	33.2	21 months	54.0
8 months	38.4	22 months	54.4
9 months	39.2	23 months	55.1
10 months	40.6	24 months	58.9
11 months	41.3	25 months	59.9
12 months	45.7	26 months	60.5
13 months	46.1	27 months	61.5
14 months	46.6	28 months or more	100.0

Source: 1987 Survey of Income and Program Participation (SIPP).

percent of all single-spell participants); (2) those who entered the FSP in months 2 through 5 of the panel (10 percent of single-spell individuals); and (3) those who began participation on or after the 6th month of the panel (25 percent of single-spell participants).<sup>8</sup>

Figure 2 presents the cumulative distribution of the length of time spent on the FSP for single-spell participants for these three subsamples. The sharp increase between months 27 and 28 for the month one cohort is again a result of the large percentage of individuals who participated in the FSP for the entire survey period (60 percent of this group). In fact, when taking multiple-spell participants into account, *of the estimated 18.8 million persons who participated in the FSP at the beginning of the survey period, 11.6 million (62 percent) were also on the program 28 months later when the survey ended.*

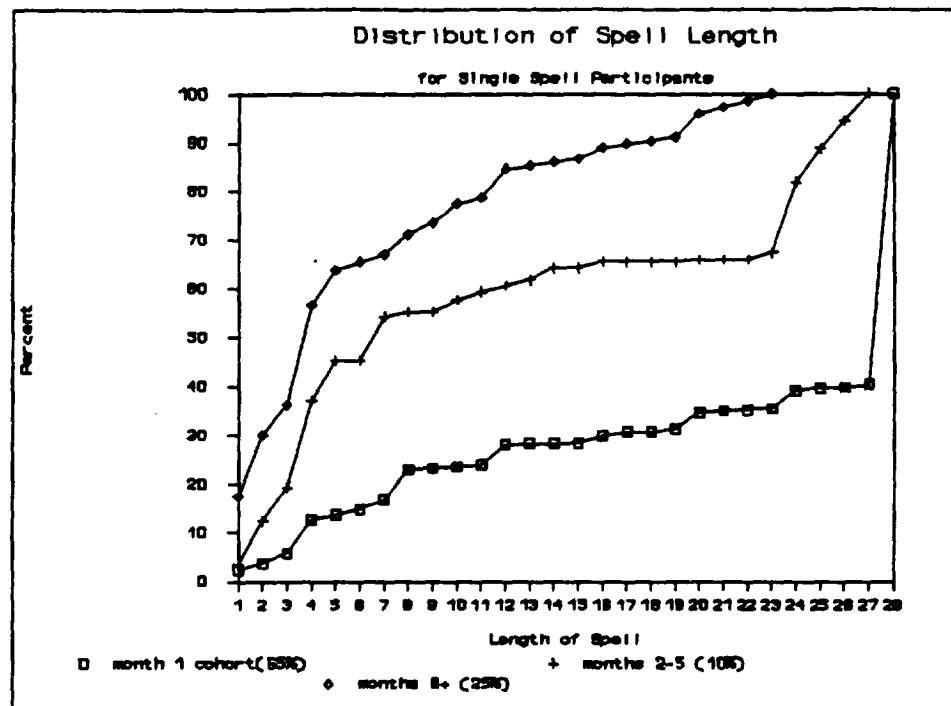
As seen in Figure 2, the shapes of the cumulative distributions of spell duration were similar for each subsample. Using Figures 1 and 2, the following categories of participation for single-spell participants were defined:

- (1) Short-term participants (those persons who participated in the FSP for eight months or less);
- (2) Medium-term participants (those persons who participated in the FSP for more than eight months, but less than 24 months); and
- (3) Long-term participants (those persons who participated in the FSP for at least 24 consecutive months).

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<sup>8</sup>Entry months other than month one were aggregated to ensure adequate sample sizes.

**Figure 2 Cumulative Distribution of the Length of Time an Individual is on the Food Stamp Program, adjusting for the month of entry in the FSP**



Length of Spell of spell is ≤ months	Participating in FSP in Month 1	Started FSP in Month 2-5	Started FSP in Month 6+
1 month	2.3	3.5	17.4
2 months	3.7	12.4	30.0
3 months	5.8	19.4	36.3
4 months	12.7	37.2	56.6
5 months	13.6	45.3	63.7
6 months	14.7	45.3	65.3
7 months	16.7	54.3	67.0
8 months	23.0	55.3	71.2
9 months	23.2	55.3	73.5
10 months	23.5	57.6	77.4
11 months	23.9	59.3	78.7
12 months	28.1	60.5	84.6
13 months	28.3	61.8	85.3
14 months	28.3	64.2	86.1
15 months	28.4	64.2	86.8
16 months	29.9	65.4	89.0
17 months	30.6	65.4	89.8
18 months	30.6	65.4	90.3
19 months	31.2	65.4	91.1
20 months	34.7	65.8	96.0
21 months	35.1	65.8	97.3
22 months	35.2	65.8	98.5
23 months	35.6	67.3	100.0
24 months	39.2	81.8	
25 months	39.6	88.8	
26 months	39.8	94.4	
27 months	40.4	100.0	
28 months or more	100.0		

Source: 1987 Survey of Income and Program Participation (SIPP).

### **Multiple-Spell Participants**

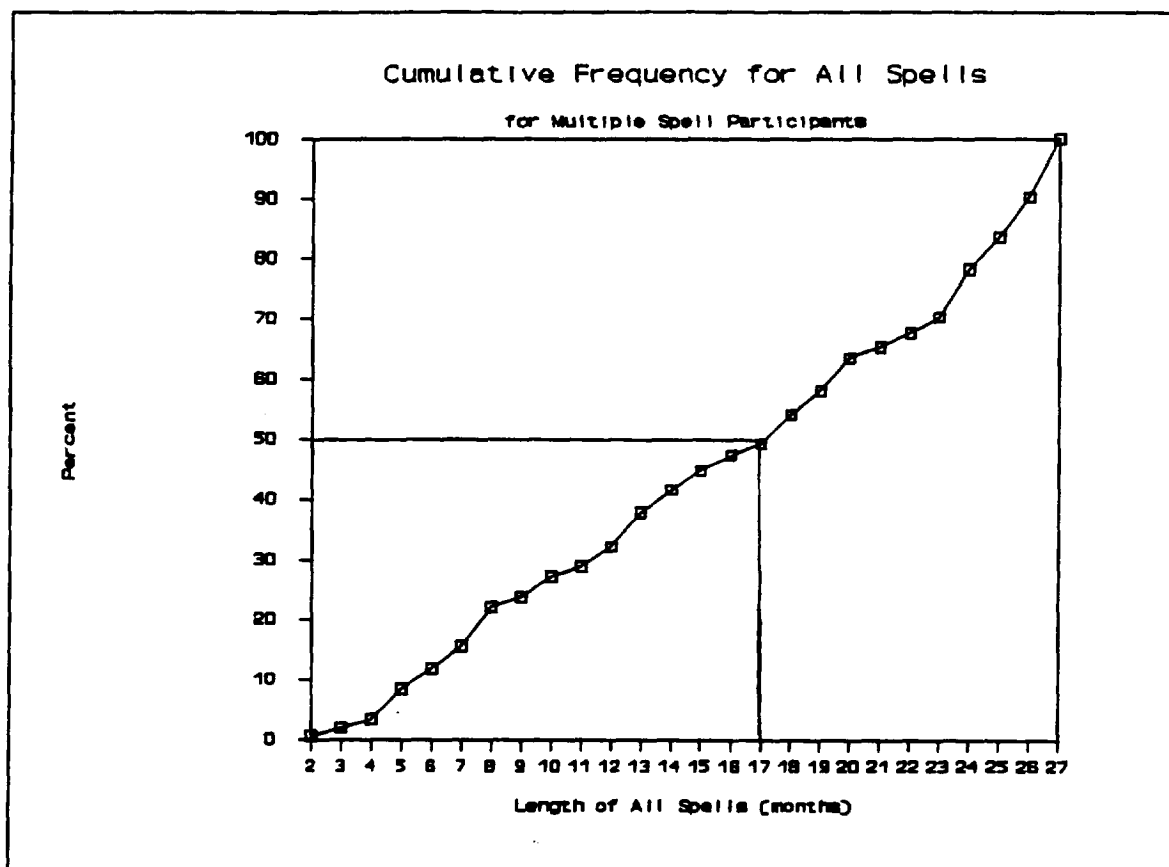
Of the 28.7 million FSP participants in the full panel population, one fourth experienced more than one spell of participation during the 28-month survey period. Figure 3 presents the frequency distribution of the total number of months that the multiple-spell individuals participated in the FSP. The median duration of the total number of months on the FSP was 17 months (out of a maximum of 28 months) for the multiple-spell participants, compared to 19 months for single-spell participants.

Using the cutoff values obtained from the analysis of the single-spell participants to distinguish long-term participants from other participants, approximately 30 percent of the multiple-spell participants would be classified as long-term participants if the lengths of their individual spells were added together. Twenty-two percent would be short-term participants. In the case of the multiple-spell participants who could be considered long-term, there is obviously little time between each spell of participation, given that the survey period was 28 months.

Multiple-spell participants who had a short first spell were likely to have a second spell of short duration. Specifically, we estimated that out of the multiple-spell participants whose first spell lasted 8 months or less (i.e. short-term category), about two-thirds had a second spell of short duration (8 months or less).

The results of the analysis of the participation patterns for single- and multiple-spell participants were used to define four categories of participation for FSP participants:

**Figure 3** Cumulative Distribution of the Total Number of Months Spent on the FSP for Individuals who participated in the FSP for more than one spell during the 1987 SIPP panel



Source: 1987 Survey of Income and Program Participation (SIPP).

- (1) Short-term, single-spell participants (those persons who participated in the FSP for eight months or less);
- (2) Medium-term, single spell participants (those persons who participated in the FSP for more than eight months, but less than 24 months);
- (3) Long-term, single-spell participants (those persons who participated in the FSP for at least 24 consecutive months); and
- (4) Multiple-spell participants.

Using these four categories, participation patterns were analyzed for both the cross-sectional cohort and the full panel population.

## **2.1 Cross-sectional Cohort**

The length of each participation spell was computed for all individuals who participated in the FSP in the first month of the 1987 SIPP Panel. The length of the participation spell which was ongoing in the first month of the 1987 SIPP Panel was then adjusted using information available in the Welfare History Module.<sup>9</sup> Using this information reduces the problem of underestimating

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<sup>9</sup>The 1987 SIPP Panel Welfare History Module contains explicit questions regarding the initiation date of the on-going participation spell. These questions were revised and improved from earlier SIPP panels.



the duration of spells which is typically found in such panel surveys.<sup>10</sup> Only the duration of the initial spell was adjusted; any information regarding prior participation in the program which was not linked to the ongoing spell was ignored. Eleven percent of the cross-sectional cohort did not report a history of FSP participation prior to month one of the 1987 Panel. For these persons, it was assumed that the current spell of participation began on the first month of the panel.<sup>11</sup>

Table 1 presents estimates of the proportion of the cross-sectional cohort that falls into each category of participation. The cross-sectional cohort was primarily composed of long-term (58.9 percent) and multiple-spell (26.6 percent) participants. Short-term participants represented only 6.7 percent of the population and medium-term participants made up the remaining 7.8 percent. *In other words, the vast majority of participants on the FSP in the first month of the SIPP Panel either were in the midst of a spell that would last two years or would experience more than one spell of participation during the survey period.*

Figure 4 presents the distribution of the estimated length of time that single-spell participants in

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<sup>10</sup>This problem is typically referred to as "left censoring" because information prior to the beginning of the panel study is usually not available. The 1987 SIPP Panel Welfare History Module contains explicit questions regarding the initiation date of the on-going spell. These questions were revised and improved from earlier SIPP panels.

<sup>11</sup>Welfare history data was only available for the primary informant, and not for all individuals in food stamp households. The welfare history of the primary informant was imputed to all other household members except in the case of young children for whom the first spell was computed to begin from their birth or from the reported beginning date, whichever was later.

**Table 1.        Participation Patterns of Cross-Sectional Cohort**

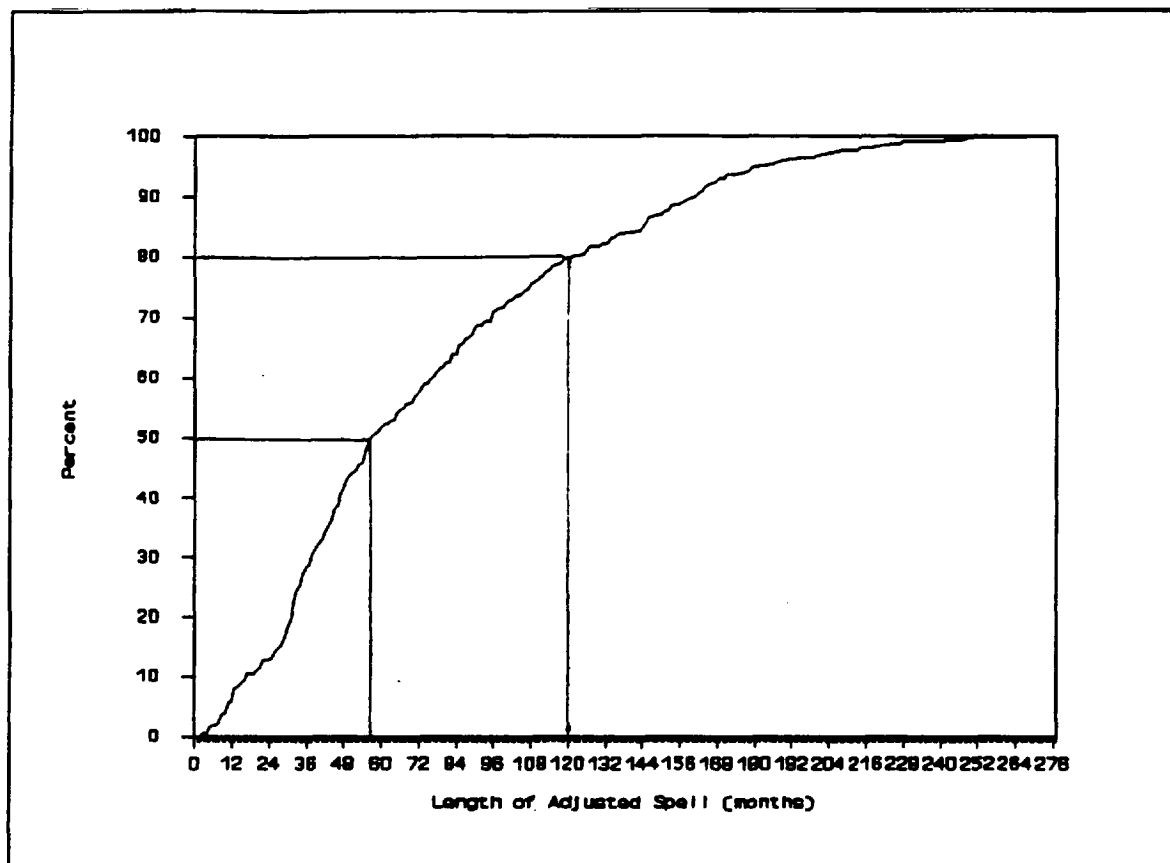
	Number ( '000)	Percentage of Participants
<b>Single Spell Participants</b>		
Short Term (1-8 months)	1,266.2	6.7
Medium Term (9-23 months)	1,447.9	7.8
Long Term ( $\geq$ 24 months)	11,065.6	58.9
<b>Multiple Spell Participants</b>	<b>5,004.8</b>	<b>26.6</b>
<b>All Participants</b>	<b>18,784.5</b>	<b>100.0</b>
<b>Average Monthly Participation*</b>	<b>19,175.0</b>	

Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module (Wave 2).

\* administrative caseload data (first quarter of FY87)

n = 1,733 persons

**Figure 4 Cumulative Distribution of the Length of Time in Months that an Individual is on the FFP for the Single Small Recipients in the Core Sample of the SIPP**



\*This estimate adjusts the length of the ongoing spell at the beginning of the SIPP panel by using reciprocity history data.

Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module (Wave 2).

the cross-sectional cohort received FSP benefits. About half participated in the FSP for almost five years (median duration is 58 months), and 20 percent participated in the FSP for more than 10 years. As single-spell participants represent three-quarters of all participants in the cross-sectional cohort, this figure illustrates why, at any point in time, a large portion of the food stamp caseload has depended or will depend on food stamp benefits for a long time.

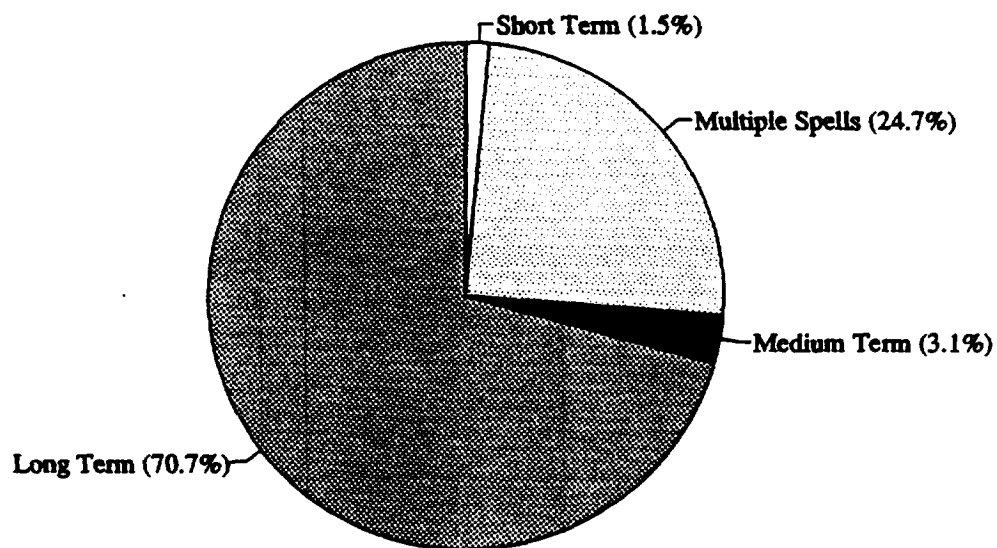
If the total duration of all spells were used to classify the multiple-spell individuals, 72.5 percent of them would be classified as long-term, 25.3 percent as medium-term, and only 2.2 percent as short-term participants. *In fact, when combining single- and multiple-spell participants, 78 percent of all individuals participating in the FSP in the first month of the SIPP panel were or would become long-term participants.*

Obviously, long-term participants dominate the cross-sectional cohort. Another way to examine the extent of long-term participation is to examine participant-months.<sup>12</sup> The distribution of total participant-months during the 1987 SIPP Panel for the cross-sectional cohort is presented in Figure 5. Single-spell participant-months account for about three-fourths of the total participant-months in the survey period, with long-term participants comprising the bulk of these. Multiple-spell individuals account for 25 percent of the participant-months in the panel.

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<sup>12</sup>Looking at participant-months illustrates how long-term participants dominate over time. Each month an individual participates in the FSP is equal to one participant-month. A short-term participant, therefore, would be the equivalent of 1-8 participant-months. A long-term participant would be the equivalent of 24 or more participant-months.

**Figure 5.** Share of Total Participation Months Throughout the 1987 SIPP Panel for the Cross-Sectional Cohort, Using Welfare History Data.



Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module (Wave 2).

## **2.2 Full Panel Population**

We also examined participation patterns for all individuals who participated in the program for at least one month between October 1986 and March 1989. Looking at the full panel population allows closer examination of short-term and multiple-spell participation patterns, which may be missed altogether when analyzing a cross-sectional cohort.

We computed spell lengths using data from each month of the 1987 SIPP Panel and did not use the welfare history data for this group. This tends to underestimate the duration of spells which were underway during the first month of the panel study as well as those that are on-going at the end of the survey period.

We further classified participants with a single spell into short-term, medium-term, and long-term. Table 2 presents the number and percentage of participants in the full panel population by participation category. As in the cross-sectional cohort, long-term participants are the largest category although the proportion (33.4 percent) is significantly smaller than that found in the cross-sectional cohort. The short-term category represented 28.6 percent of the full panel population compared to 6.7 percent of the cross-sectional cohort. This reflects the influence of the large number of persons who move onto and off the FSP relatively quickly.

Participants who had more than one spell of participation during the survey period represented approximately 25 percent of the full panel population (about the same proportion as in the cross-sectional cohort). Approximately three out of four multiple-spell participants had two

**Table 2.        Participation Patterns of the Full Panel Population**

	Number ( '000)	Percentage of Participants
Single Spell Participants		
Short Term (1-8 months)	8,200.6	28.6
Medium Term (9-23 months)	3,557.0	12.4
Long Term ( $\geq$ 24 months)	9,572.5	33.4
Multiple Spell Participants	7,356.1	25.6
All Participants	28,686.2	100.0
Average Monthly Participation*	16,951.0	
Average Monthly Participation**	18,845.3	

Source: 1987 Survey of Income and Program Participation (SIPP).

\* average monthly participation in 1987 SIPP panel

\*\* administrative caseload data (October 1986 - March 1989)

n = 2,671 persons

participation spells during the 28-month survey period. Another 20 percent had three participation spells. For all multiple-spell participants, the average length of the first spell was seven months. The average length of the second spell was also seven months with a break of, on average, 4 months between these two spells.<sup>13</sup>

Figure 6 shows that long-term participants comprised over half (56 percent) of the participant-months in the full 28-month period of the SIPP Panel. Multiple-spell participants accounted for 26 percent, medium-term participants comprised 12 percent, and short-term participants comprised 6 percent.

### **2.3 Censoring of Duration of Participation Spells**

When analyzing data collected over a fixed time period, such as the 1987 SIPP, two types of bias (or censoring) arise. The first is commonly referred to as "left censoring." This occurs when participation spells that were initiated prior to the beginning of the survey period are truncated due to the data collection process. Analyzing an entry cohort minimizes left censoring, because only households with newly-initiated participation spells are included in the study sample.

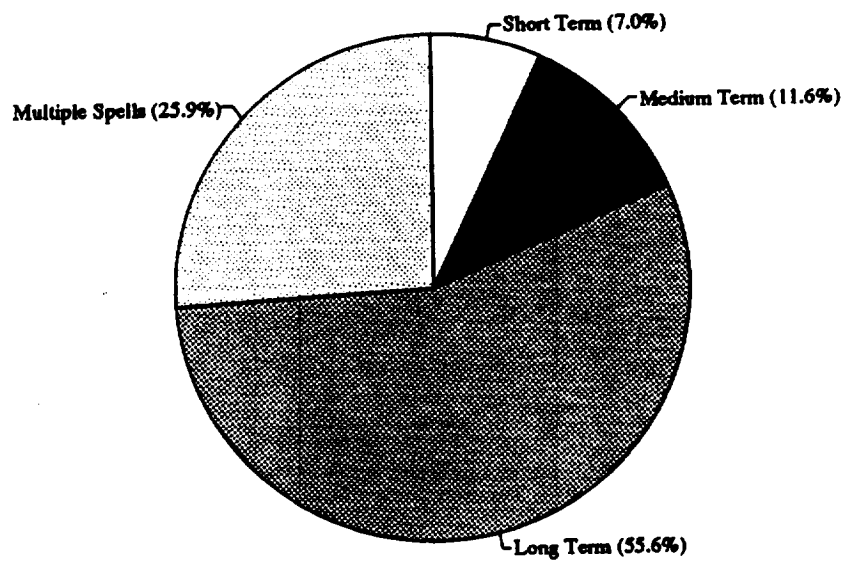
However, this study did not utilize an entry cohort, so some left-censoring did occur. For the cross-sectional cohort, this censoring was minimized by using welfare history data to adjust the

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<sup>13</sup>It is possible that the four-month average elapsed time between spells is an anomaly of the SIPP data collection methodology.



**Figure 6.** Share of Total Participation Months for Individuals in the Food Stamp Program for the Full Panel Population.



Source: 1987 Survey of Income and Program Participation (SIPP).

length of spells initiated prior to the survey period. No adjustments were made for the full panel population.

A second type of bias is "right censoring." This occurs when participation spells initiated near the end of the survey period are truncated when data collection ends. Both the cross-sectional cohort and the full panel population have some right-censored participation spells.

The result is that some participation spells are misclassified as short- or medium-term because the full duration of the spell is not known. Table 3 shows the extent of right censoring for the cross-sectional cohort and both right and left censoring for the full panel population. While censoring was not a problem in the cross-sectional cohort, in the full panel population over half of all short-term spells and over 80 percent of the medium-term spells were truncated due to the data collection process<sup>14</sup>.

Even though some censoring did occur, especially among the full panel population, the clear result is that a substantial portion of the food stamp population participates for more than 24 months. It is, therefore, important to determine who these long-term participants are and what proportion of benefits they receive. The following sections attempt to do just that.

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<sup>14</sup>For more discussion on this topic, see Appendix A.

**Table 3. Percentage of Participants with Probable Left & Right Censoring of Spell Duration**

	Cross-Sectional Cohort*		Full Panel Population**		
	Number ('000)	% Right Censored	Number ('000)	% Right Censored	% Left Censored
<b>Single Spell Participants</b>					
Short Term (1-8 months)	1,266.2	--	8,200.6	17.2	38.6
Medium Term (9-23 months)	1,447.9	--	3,557.0	34.3	48.9
Long Term ( $\geq$ 24 months)	11,065.6	74.2	9,572.4	93.0	92.7
<b>Multiple Spell Participants</b>	<b>5,004.8</b>	<b>67.5</b>	<b>7,356.1</b>	<b>63.2</b>	<b>68.0</b>
<b>All Participants</b>	<b>18,784.5</b>	<b>61.7</b>	<b>28,686.2</b>	<b>56.4</b>	<b>65.5</b>

Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module (Wave 2).

\* n = 1,733 persons

\*\* n = 2,671 persons

### **3.0 DISTRIBUTION OF FOOD STAMP BENEFITS BY PARTICIPATION CATEGORY**

The SIPP data were used to estimate the average monthly benefit and total benefits received by the different participation categories for both the cross-sectional cohort and the full panel population. Also shown is the share of total benefits received by each group of participants. Food Stamp Program allotments are distributed at the household level; therefore, this portion of the analysis looks primarily at household benefits.

#### **3.1 Benefits Received by the Cross-sectional Cohort**

The 18.8 million participants in the cross-sectional cohort represented approximately 6.6 million food stamp households.<sup>15</sup> Table 4 presents estimates of the average and median household food stamp allotment for each group of participants. Short-term participants lived in food stamp households that received the smallest monthly allotments, on average. They also had the smallest average household size. Multiple-spell participants had the largest allotments and the largest households, on average. On a per capita basis, the benefit levels for the short-term, long-term and multiple-spell categories were comparable (around \$42/month) whereas the per capita benefit for the medium-term participants was slightly higher (around \$47/month).

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<sup>15</sup>For this analysis, the term "household" refers to a food stamp unit. In general, individuals living in the same dwelling unit were considered to be in the same food stamp household. However, for approximately 15 percent of the SIPP dwelling units, the data indicated more than one primary recipient for food stamps. In these cases, the dwelling units were split into multiple food stamp households unless visual inspection of the data identified inconsequential multiple food stamp units (i.e., if husband and wife alternated as the primary recipient).

**Table A-1. Comparison of the Classification of FSP Participants Based on Full Panel Population a  
Incorporation of Historical Data**

<b>Definition Based on SIPP Panel Only</b>	<b>Definition Incorporating Reciprocity History</b>		
	<b>Short term (1-8 months on FSP)</b>	<b>Medium Term (9-23 months on FSP)</b>	<b>Long Term (24 months or more)</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>
<b>SINGLE SPELL PARTICIPANTS:</b>			
Short Term	6,300,381 (76.8%)	998,449 (12.2%)	901,500 (11.0%)
Medium Term	0 (0%)	2,247,505 (63.6%)	1,288,206 (36.5%)
Long Term	0 (0%)	0 (0%)	9,572,109 (100.0%)
Total Single Spell Participants	6,300,381 (29.6%)	3,245,954 (15.2%)	11,761,814 (55.2%)

Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module  
(Wave 2).

n = 2,015 persons

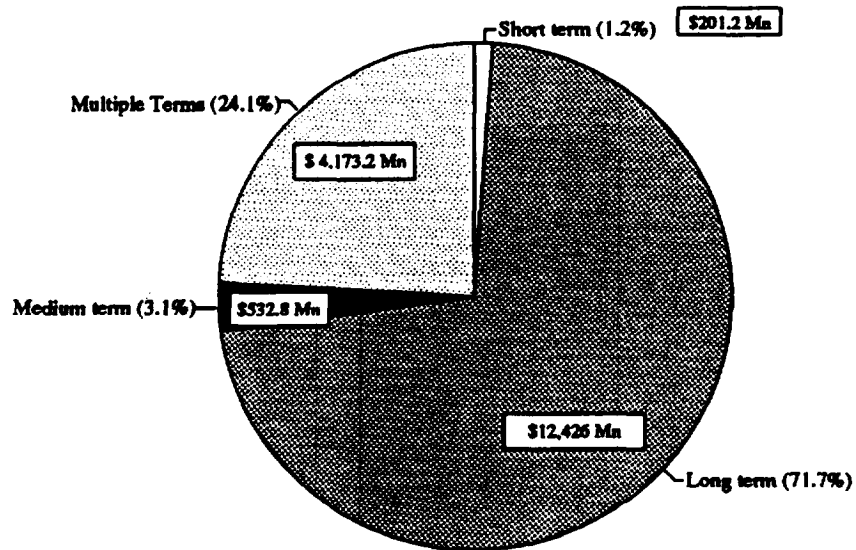
Figure 7 presents the total benefits received by the cross-sectional cohort. This group received \$17.3 billion in benefits during the 28 months of the SIPP Panel, an average of about \$619 million per month. Long-term participants received 72 percent of the benefits, multiple-spell participants received 24 percent, medium-term participants received 3 percent, and short-term participants received only 1 percent of total program benefits.

As expected, this is comparable to the distribution of participation months presented in Figure 5. However, both the distribution of benefits and the distribution of participant months vary significantly from the distribution of total participants seen in Table 1. *Although long-term participants made up only 59 percent of the cross-sectional population, they consumed 72 percent of total benefits; when multiple-spell participants are added in, these two groups account for 96 percent of all benefits. In contrast, although short-term participants made up about seven percent of the population, they only received one percent of the benefits.*

### **3.2 Benefits Received by the Full Panel Population**

Table 5 presents estimates of the average and median food stamp allotment received by full panel population. Again, short-term participants lived in households that received the smallest monthly allotments, on average and had the smallest average household size. Multiple-spell participants had the largest allotments and the largest households, on average. On a per capita basis, there is little difference between the various categories of participants (each received approximately \$42/month).

**Figure 7. Total Food Stamp Program Benefits Received by the Cross-Sectional Cohort (Millions of dollars).**



**Total Food Stamp Program Benefits Received: \$17,333.6 Million.**

**Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module (Wave 2).**

**Table 4. Cost per Household for the Cross-Sectional Cohort**

	Number ( '000)	Percentage of Participants	Average Household Size	Average Allotment per Household*	Per Capita Allotment	Median Allotment per Household*
<b>Single Spell Participants</b>						
Short Term (1-8 months)	1,266.2	6.7	2.5	\$104.90	\$41.96	\$81.00
Medium Term (9-23 months)	1,447.9	7.8	2.9	\$138.33	\$47.70	\$121.00
Long Term ( $\geq$ 24 months)	11,065.6	58.9	2.8	\$116.22	\$41.51	\$100.00
<b>Multiple Spell Participants</b>	<b>5,004.8</b>	<b>26.6</b>	<b>3.3</b>	<b>\$138.27</b>	<b>\$41.90</b>	<b>\$124.00</b>
<b>All Participants</b>	<b>18,784.5</b>	<b>100.0</b>	<b>2.9</b>	<b>\$121.80</b>	<b>\$42.00</b>	<b>\$102.00</b>

Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module (Wave 2).

\* The benefit level is for the first month of the panel.

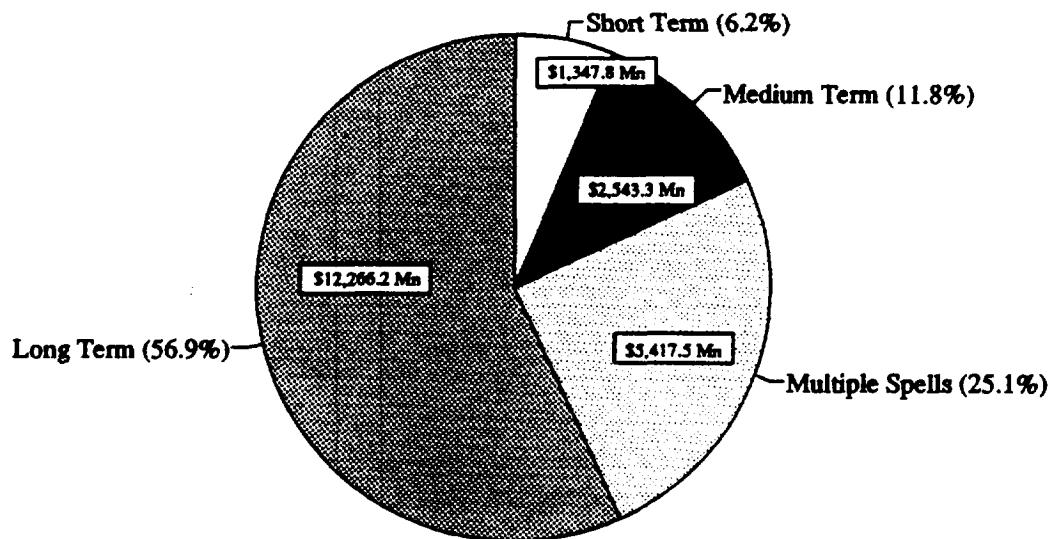
n = 1,733 persons



Figure 8 presents the distribution of total benefits received by the full panel population over the 28 months of the survey. Long-term participants received 57 percent of total program benefits, multiple-spell participants received 25 percent, medium-term participants received 12 percent, and short-term participants received 6 percent. Total benefits during the survey period were \$21.6 billion or about \$771 million per month on average. Long-term participants received \$12.3 billion during the survey period, while the other participants combined received only \$9.3 billion.

As expected, the distribution of benefits is comparable to the distribution of participation months presented in Figure 6. However, both the distribution of benefits and the distribution of participant months vary significantly from the distribution of total participants seen in Table 2. *Although long-term participants made up only 33 percent of the full panel population, they consumed 57 percent of total benefits; when multiple spell participants are added in, these two groups account for 82 percent of all benefits. In contrast, although short-term participants made up about 29 percent of the population, they only received six percent of the benefits.*

**Figure 8.** Total Food Stamp Program Benefits Received by Participants in the 1987 SIPP Panel (Millions of dollars).



Total Food Stamp Program Benefits Received: \$21,574.8 Million.

Source: 1987 Survey of Income and Program Participation (SIPP).

## **4.0 CHARACTERISTICS OF LONG-TERM PARTICIPANTS**

In addition to describing each participant group in terms of their size and the proportion of benefits they receive, this study set out to describe the characteristics shared by participants in these distinct subgroups to determine if those who are dependent on food stamp over time differ systematically from those who leave the program quickly and never return. The following sections describe individual and household characteristics of long-term and multiple-spell participants and compare these characteristics to those found among other FSP participants.<sup>16</sup>

Some socioeconomic characteristics (for example, race and gender) are relatively stable across time. However, other variables, such as age or household income, may change from month to month or year to year. Unless otherwise noted, characteristics presented here were obtained for the first month of FSP participation.

### **4.1 Demographic and Household Characteristics of FSP Participants**

Table 6 presents the age distribution for the full panel population. Long-term participants were predominantly children, as was the case for the other participation groups. However, although all participation groups contained a significant number of children, children were most likely to be long-term or multiple-spell participants (36 and 27 percent, respectively). None of the groups

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<sup>16</sup>We analyzed the characteristics of long-term participants in both the cross-sectional cohort and the full panel population. As the results did not differ greatly between the two populations, we present only the results for the full panel population here.

**Table 5. Cost per Household for the Full Panel Population**

	Number ( '000)	Percentage of Participants	Average Household Size	Average Allotment per Household*	Per Capita Allotment	Median Allotment per Household*
Single Spell Participants						
Short Term (1-8 months)	8,200.6	28.6	2.9	\$119.41	\$41.18	\$104.00
Medium Term (9-23 months)	3,557.0	12.4	2.6	\$111.37	\$42.83	\$98.00
Long Term ( $\geq$ 24 months)	9,572.5	33.4	2.8	\$120.05	\$42.87	\$107.31
Multiple Spell Participants	7,356.1	25.6	3.3	\$139.69	\$42.33	\$133.82
All Participants	28,686.2	100.0	2.9	\$123.26	\$42.50	\$110.53

Source: 1987 Survey of Income and Program Participation (SIPP).

\* Average benefit level for the months on the Food Stamp Program in the SIPP panel.

n = 2,671 persons

had a significant number of elderly individuals, but the elderly were most likely to be long-term participants (over half participated for two years or longer).

White non-Hispanics made up 45 percent of the full panel population; African Americans made up 33 percent and Hispanics accounted for 16 percent (Table 7). Long-term participants were about equally split between whites and African Americans; however, African Americans were more likely to be long-term or multiple-spell participants (65 percent of all African Americans fell into one of these two groups). Hispanics also were likely to be long-term participants, whereas white participants were more likely to participate for eight months or less.

Table 8 presents educational attainment information for the full panel population. In general, short-term participants had higher educational levels than long-term participants. While over 60 percent of short-term participants had completed high school, nearly 70 percent of long-term participants had not. In addition, short-term participants were three times as likely to have some post-secondary education. Nearly half of all participants with post-secondary education were short-term participants. *The general conclusion that can be made is that the probability of participating for more than two years falls as education increases. Conversely, the probability of participating for eight months or less rises as education increases.*

Tables 9 and 10 present FSP household composition by participation categories.<sup>17</sup> As seen in

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<sup>17</sup>When describing household characteristics, it is conceivable that individual household members may have different participation patterns. In all cases, household classifications of  
(continued...)



**Table 7. Race or Ethnic Origin of the Full Panel Population**

	Total Number of Participants	White Non-Hispanics		African- American Non-Hispanics		Hispanics		Other*	
		% of parti- cipants	% of White Non- Hispanics	% of parti- cipants	% of African American Non-Hispanics	% of parti- cipants	% of Hispanics	% of parti- cipants	% of Other
<b>Single Spell Participants</b>									
Short Term (1-8 months)	8,200.6	55.2	34.8	26.7	22.8	13.0	23.4	5.1	27.5
Medium Term (9-23 months)	3,557.0	48.4	13.2	28.9	10.7	17.3	13.5	5.4	12.8
Long Term ( $\geq$ 24 months)	9,572.5	37.1	27.3	38.1	38.0	19.1	40.1	5.7	35.6
Multiple Spell Participants	7,356.1	43.7	24.7	37.1	28.5	14.2	23.0	5.0	24.1
All Participants	28,686.2	45.4	100.0	33.4	100.0	15.9	100.0	5.3	100.0

Source: 1987 Survey of Income and Program Participation (SIPP).

\* Other category includes American Indians, Eskimos, Aleuts, Asians or Pacific Islanders.

n = 2,671 persons

Table 9, nearly one-third of all FSP households consisted of a single adult participant.<sup>18</sup> About half of these single adults were elderly, although among long-term participants nearly three-quarters were elderly. Another 37 percent of FSP households were composed of single parents and their children, and the remainder were two-adult households, with and without children (25 and 9 percent, respectively).

The majority (nearly 60 percent) of single-elderly households were on the program for 24 months or longer. Likewise, single-parent households were likely to be highly dependent on food stamps, either as long-term or multiple-spell participants (over two-thirds of all single-parent households fell into one of these categories). *In other words, the most vulnerable among the poverty population tended to participate for two years or longer or to go on and off the program repeatedly.*

Table 10 shows the percentage of households with children by the children's age. Nearly two-thirds of all households contained children, with an average of about two children per household. About one-third of all households with children had only preschool-age children; another third had only school-age children. Long-term and multiple-spell households tended to have more children than short- or medium-term households.

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<sup>17</sup>(...continued)  
multiple-spell or short-, medium-, or long-term are based on the participation patterns of the FSP household head.

<sup>18</sup>Single adult participants did not necessarily live alone; rather, they were the only members of their dwelling units who received food stamps.



**Table 8. Last Year of Education Completed by Individuals 18 years or over in the Full Panel Population**

			Percentage of Participants Ages 18 years or More							
Participants 18 years or more ( '000)			Attended Grades 1-8		Attended Grades 9-11		Completed High School		Post- Secondary Education	
			% of Partici- pation Category	% of Educa- tion Level	% of Partici- pation Category	% of Educa- tion Level	% of Partici- pation Category	% of Educa- tion Level	% of Partici- pation Category	% of Educa- tion Level
Number	(%)									
Single Spell Participants										
Short Term (1-8 months)	4,638.5	31.5	14.3	17.9	24.9	27.8	40.5	39.2	20.3	45.4
Medium Term (9-23 months)	1,939.9	13.2	27.3	14.3	26.0	12.1	29.8	12.2	16.9	15.8
Long Term ( $\geq$ 24 months)	4,589.2	31.2	36.0	44.6	31.3	34.5	25.8	24.7	6.9	15.3
Multiple Spell Participants	3,549.4	24.1	24.1	23.2	30.0	25.6	32.3	23.9	13.8	23.6
All Participants	14,717.0	100.0	25.2	100.0	28.2	100.0	32.5	100.0	14.1	100.0

Source: 1987 Survey of Income and Program Participation (SIPP).

n = 2,671 persons

**Table 9. Household Composition for the Full Panel Population**

PERCENTAGE OF HOUSEHOLDS WITH:											
	Total Number of Households ( '000)	Single Adult Alone				Two Adults with No Children		Single Adult with children under 18 years of age		Two Adults with children under 18 years of age	
		< 59 years		60+ years		% of Parti- cipant Category	% of House- hold type	% of Parti- cipant Category	% of House- hold type	% of Parti- cipant Category	% of House- hold type
		% of participant category	% of persons < 59	% of participant category	% of persons 60+						
<u>Household head is:</u>											
Single Spell Participant											
Short Term (1-8 months)	2,952.7	18.6	40.1	9.4	18.7	9.8	32.2	28.6	22.4	32.2	38.0
Medium Term (9-23 months)	1,311.6	21.1	20.2	14.4	12.7	10.6	15.5	24.1	8.4	29.8	15.6
Long Term ( $\geq$ 24 months)	3,601.4	7.5	19.8	24.4	59.3	9.3	37.3	41.8	39.8	16.9	24.3
Multiple Spell Participant	2,235.8	12.2	19.9	6.1	9.3	6.5	16.2	40.2	23.8	35.0	31.2
All Households	10,101.5	14.4	100.0	14.2	100.0	8.9	100.0	37.4	100.0	24.8	100.0

Source: 1987 Survey of Income and Program Participation (SIPP).

\* Age of persons in the household is as given in the first month of the survey.

n = 1,433 households (2,671 persons)

**Table 10. Households with Children Under Age 18 years for the Full Panel Population**

	Total Number of Households with children ( '000)	Average Number of Children	Percent of Households with preschoolers only ( < 6 years old)		Percent of Households with children ages 6-18 only		Percent of households with both preschoolers and schoolage children	
			% of partici- pation Category	% of House- holds with pre- schoolers only	% of partici- pation Category	% of House- holds with children 6-18	% of partici- pation Category	% of House- holds with both pre- schoolers & schoolage
<b>Household head is:</b>								
<b>Single Spell Participant</b>								
Short Term (1-8 months)	1,662.1	1.9	34.6	27.5	40.1	30.3	25.3	25.7
Medium Term (9-23 months)	637.1	1.8	55.1	16.8	26.1	7.5	18.8	7.4
Long Term ( $\geq$ 24 months)	2,073.9	2.3	30.2	29.9	38.3	36.1	31.5	40.1
<b>Multiple Spell Participant</b>	<b>1,553.9</b>	<b>2.2</b>	<b>34.6</b>	<b>25.8</b>	<b>37.1</b>	<b>26.1</b>	<b>28.3</b>	<b>26.8</b>
<b>Households with Children</b>	<b>5,927.0</b>	<b>2.1</b>	<b>35.2</b>	<b>100.0</b>	<b>37.3</b>	<b>100.0</b>	<b>27.5</b>	<b>100.0</b>

Source: 1987 Survey of Income and Program Participation (SIPP).

\* Age of persons in the household is as given at the first month of the survey.

n = 588 households with children

## 4.2 Household Income

Tables 11 and 12 present household income for the full panel population by participation categories. For each FSP household in the SIPP Panel the monthly value of household income was compared to the poverty line for a given household size in order to calculate where the household fell relative to the poverty line in each month.

Household income as a percentage of poverty is presented for the full panel population in Table 11. Long-term participants lived in households with the smallest monthly incomes (\$617, on average), while short-term participants lived in households with higher incomes (\$965, on average). Ninety percent of long-term participants lived in households whose incomes were below the poverty line in their first month on the FSP. In contrast, only 58 percent of short-term participants lived in such households. One-fifth of short-term participants lived in households whose incomes in the first month of FSP participation were above 130 percent of the poverty level, compared to 12 percent for all FSP participants<sup>19</sup>. Forty percent of all participants with incomes below poverty in the first month were long-term participants. Nearly half of all participants with incomes above poverty in the first month were short-term participants. *Clearly, the probability of being a long-term participant increases as income falls; conversely, the probability of participating for a short time increases as income rises.*

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<sup>19</sup>Previous research (Martini, 1992) has shown that some households that report participating in the program appear to be ineligible according to the income and assets information they provide during the SIPP interview. This could result from underreporting income when applying for benefits, misreporting FSP participation in the SIPP survey, or other reasons.

**Table 11. Distribution of Household Income\* for the Full Panel Population**

	Total Number of Participants	Average Monthly Income	< 100 % Poverty Level		100-130 % Poverty Level		Over 130 % of Poverty Level	
			% of participant category	% of income group	% of participant category	% of income group	% of participant category	% of income group
Single Spell Participants								
Short Term (1-8 months)	7,509.0	\$964.87	57.8	20.7	20.8	46.5	21.4	48.7
Medium Term (9-23 months)	3,425.2	\$701.39	78.0	12.7	9.8	10.0	12.2	12.7
Long Term ( $\geq$ 24 months)	9,538.0	\$617.47	89.5	40.7	4.8	13.7	5.6	16.4
Multiple Spell Participants	7,164.2	\$748.54	75.8	25.9	14.0	29.8	10.2	22.2
All Participants	27,636.4	\$760.80	75.9	100.0	12.2	100.0	11.9	100.0

Source: 1987 Survey of Income and Program Participation (SIPP).

\* Household income is as reported for the first month in which the household participated in the FSP.

n = 2,671 persons

Table 12 displays income dynamics for the full panel population throughout the 28 months of the survey. The majority of all participants (64 percent) lived in households with income that was below the poverty level for some, but not all, months of the survey. However, there were some striking differences between long- and short-term participants and the rest of the full panel population.

While only 28 percent of the full panel population was poor in every month of the survey, the majority (71 percent) of these individuals were long-term participants. Nearly 60 percent of long-term participants lived in households whose incomes were below the poverty level in all 28 months of the survey. In contrast, only four percent of short-term participants lived in poor households in every month. Short-term participants made up nearly 60 percent of the participants who were never poor. Multiple-spell participants, as expected, were most likely to drift in and out of poverty (76 percent).

Clearly, long-term participants differ from other groups with respect to the amount of income they have available. *About 70 percent of the FSP households with incomes always at or below poverty were long-term participants; nearly 60 percent of households with incomes above poverty in all months were short-term participants. In other words, long-term participants could be described as chronically poor.*

Table 13 presents income sources for participant households to explore the question of whether their sources of income differ as well. The table also illustrates what portion, on average, of

**Table 12. The Dynamics of Poverty for Food Stamp Participants in the Full Panel Population**

		Always At or Below Poverty Level		Sometimes Below <sup>1</sup> Poverty Line		Always above Poverty Level <sup>2</sup>	
	Total Participants (‘000)	% of Participation Category	% of Income Level	% of Participation Category	% of Income Level	% of Participation Category	% of Income Level
Single Spell Participants							
Short Term (1-8 months)	8,153.7	4.1	4.2	78.9	35.3	17.0	57.5
Medium Term (9-23 months)	3,557.0	18.2	8.0	72.9	14.2	8.9	13.1
Long Term ( $\geq$ 24 months)	9,572.5	59.3	70.8	37.4	19.7	3.4	13.5
Multiple Spell Participants	7,356.1	18.6	17.0	76.2	30.8	5.2	15.9
All Participants	28,639.3	28.0	100.0	63.6	100.0	8.4	100.0

Source: 1987 Survey of Income and Program Participation (SIPP).

n = 2,671 persons

<sup>1</sup> Below 100% of poverty at least one month, but not all months of survey.

<sup>2</sup> Income is above 100 % of the poverty level for all months of the panel.

**Table 13. Sources of Income for the Full Panel Population**

	<u>Percent of Household Income* Accounted for by:</u>								
	Total Number of Participants	Earned Income		Transfer Income		Property Income**		Other Income***	
		% of parti- cipants	% of earned income	% of parti- cipants	% of transfer income	% of parti- cipants	% of property income	% of parti- cipants	% of other income
Single Spell Participants									
Short Term (1-8 months)	7,509.0	49.2	42.0	20.7	13.6	1.6	69.7	28.5	29.7
Medium Term (9-23 months)	3,425.2	27.3	10.6	41.8	12.5	0.2	4.0	30.7	14.6
Long Term ( $\geq$ 24 months)	9,538.0	14.6	15.8	62.7	52.1	0.1	5.5	22.5	29.8
Multiple Spell Participants	7,164.2	38.6	31.5	34.9	21.8	0.5	20.8	26.0	25.9
All Participants	27,636.4	31.8	100.0	41.5	100.0	0.6	100.0	26.1	100.0

Source: 1987 Survey of Income and Program Participation (SIPP).

\* Household income is as given in the first month in which the household participated in the FSP.

\*\* Transfer Income includes income from means-tested government programs such as Food Stamps, AFDC, General Assistance and other forms of public assistance.

\*\*\* Other Income includes pensions, Social Security, Railroad Retirement, unemployment compensation, disability payments, alimony, child support, and income from savings.

n = 2,671 persons



total household income came from these sources.<sup>20</sup> For long-term participants, the majority of household income came from means-tested transfers (63 percent of all household income, compared to 42 percent for the full panel population in general); only 15 percent was from earnings. On the other hand, half of short-term participants' income was earned and only 20 percent was from transfers. Multiple-spell participants were more diverse in terms of their income sources: slightly more than one-third was from earnings, another one-third was from transfers, and one-quarter was from other sources, such as unemployment compensation.

Table 14 provides information on participation in other assistance programs. About one-third of all FSP participants also participated in the AFDC program and about 6 percent received Supplemental Security Income (SSI). However, participation in these programs varied greatly by FSP participation category. While 53 percent of long-term participants received AFDC, only 17 percent of short-term participants did so. Similarly, about 12 percent of long-term participants received SSI, compared to four percent among short-term participants and three percent among multiple-spell participants. This is not surprising given that long-term participants were most likely to be single-parents and their children or elderly individuals.

Only 24 percent of all FSP participants over age 15 were employed in their first month on the FSP, and 59 percent were not in the labor force, i.e., they were not working, laid off, or

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<sup>20</sup>Although the share of income from different sources varied somewhat from month-to-month, the differences across participation categories remained relatively stable. The average share of income from various sources throughout the survey period also showed similar differences across participation categories. Table 14 describes income sources in the first month of FSP participation.

**Table 14. Participation in Other Assistance Programs\* for the Full Panel Population**

	Total Participants (‘000)	Received AFDC		Received SSI		Received General Assistance		Received WIC	
		% of Participant Category	% AFDC Participants	% of Participant Category	% SSI Recipients	% of Participant Category	% General Assistance	% of Participant Category	% WIC Participants
Single Spell Participants									
Short Term (1-8 months)	8,200.6	16.8	13.9	4.0	17.7	4.9	21.3	3.4	20.4
Medium Term (9-23 months)	3,557.0	33.8	12.1	5.2	10.1	10.5	19.8	6.2	16.0
Long Term ( $\geq$ 24 months)	9,572.5	52.7	50.7	11.7	60.4	8.8	44.7	4.0	27.8
Multiple Spell Participants	7,356.1	31.5	23.3	2.9	11.8	3.6	14.2	6.7	35.8
All Participants	28,686.2	34.7	100.0	6.4	100.0	6.6	100.0	4.8	100.0

Source: 1987 Survey of Income and Program Participation (SIPP).

\* participation in the month in which the person first participated in the FSP; participation in assistance programs is not mutually exclusive, i.e. a person could receive benefits from both AFDC and WIC.

n = 2,671 persons

searching for work (Table 15). *However, short-term participants were nearly four times as likely as long-term participants to be employed. Multiple-spell participants were also more likely to be working.*

In general, these characteristics paint a picture of long-term and multiple-spell participants as the most disadvantaged among the poverty population. They have the least education, the least available income, and the fewest ties to the labor force.

**Table 15. Labor Force Status\* of Food Stamp Participants Over 15 years of Age for the Full Panel**

	Total Participants over 15 years old ( '000)	Percent Employed	Percent Unemployed**	Percent Not in Labor Force***
<b>Single Spell Participants</b>				
Short Term (1-8 months)	5,297.5	38.1	18.3	43.6
Medium Term (9-23 months)	2,207.1	14.9	16.2	68.8
Long Term ( $\geq$ 24 months)	5,260.3	10.4	12.9	76.7
Multiple Spell Participants	4,244.1	26.8	22.3	50.9
All Participants	17,009.0	23.7	17.4	58.9

Source: 1987 Survey of Income and Program Participation (SIPP).

\* Labor Force Participation is as given in the first month in which the person first participated in the Food Stamp Program.

\*\* Unemployed include persons on layoff or looking for a job.

\*\*\* Not in the Labor Force includes persons without a job, not on layoff, and not looking for work.

n = 2,671 persons

## **5.0 FSP WORK REGISTRANTS**

A final question to be addressed is whether there is a distinct subgroup of long-term participants who may be subject to work registration requirements. Work registrants are more likely to be employable than other participants. Therefore, it is important to know if some portion of the long-term participant population is work-ready and could be targeted for employment and training services. To determine if this is the case, we simulated the FSP work registration requirements to determine if there were significant differences in the proportion of work registrants for the various participation patterns.

### **5.1 Distribution of Work Registrants by Participation Category**

Potential work registrants were identified in the SIPP data by simulating the FSP exemption criteria. Any FSP participant who was under age 18, over age 59, disabled, employed for more than 30 hours per week, a full-time student, a caretaker of a child under six, or a participant in AFDC was classified as exempt under work registration requirements.<sup>21</sup> These exemption categories are not mutually exclusive; i.e., individuals could be exempt for multiple reasons.

Table 16 presents the exemption categories and the percentage of work registrants for the cross-sectional cohort and compares these data to administrative data from the same time period. Only 6.3 percent of the participant population would have been required to register for work in the

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<sup>21</sup>AFDC-FSP participants who participated in the Work Incentive Program (WIN) were exempt from FSP work registration requirements. As SIPP does not contain information on WIN participation, receipt of AFDC was used as a proxy when determining the work registration status of FSP participants.

**Table 16. Distribution of Participants by Work Registration Status for Cross-Sectional Cohort**

	Short Term (%)	Medium Term (%)	Long Term (%)	Multiple Spells (%)	Total (%)	Administrative Data*
Required to register for Work	10.0	10.6	4.0	9.1	6.3	7.0
Less than 18 years	43.6	47.3	52.0	55.2	51.8	49.1
Disabled and/or Elderly	17.8	16.2	25.0	14.4	21.0	13.7
AFDC adult recipient (proxy for WIN)	3.3	5.7	11.7	7.7	9.6	9.1
Caretakers of Children under 6	10.1	9.4	3.9	7.4	5.6	12.0
Employed more than 30 hrs/wk	13.8	9.4	2.7	6.0	5.0	4.3
Students	1.4	1.4	0.7	0.3	0.7	2.5
Other or unknown						2.3
Total Exempt Participants **	90.0	89.4	96.0	90.9	93.7	91.2
All Participants	100.0	100.0	100.0	100.0	100.0	100.0
Total Number of Participants ('000)	1,266.2	1,447.9	11,065.6	5,004.8	18,784.5	--

Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module (Wave 2).

\* Source for Administrative data is the Summer 1988 Food Stamp Quality Control Sample.

\*\* The exempt categories include persons who would be exempt for more than one reason, e.g. disabled and elderly.

n = 1,733 persons

first month of the panel. Given the characteristics of long-term and multiple-spell participants, it is no surprise they were the least likely to be work registrants; only four percent of long-term participants and nine percent of multiple-spell participants would have been work registrants.

About half of all participants were exempt from registration because they were too young. Long-term and multiple-spell participants were most likely to be exempt for this reason. One-fifth were exempt because they were elderly or disabled; again, this was especially true of long-term participants. Short-term participants were the most likely to be exempt because they were working or caring for young children. The differences in reasons for exemption are consistent with the characteristics data in Section 4. Table 9 showed that long-term and multiple-spell participants tended to live in households with children or, in the case of long-term participants, to be elderly. Table 13 indicated that short-term participants were most likely to have some earned income.

As expected, the distribution of work registrants by participation pattern (Table 17) differs from the distribution of the total population as seen in Tables 1 and 2. These differences occur because short-term participants are more likely, and long-term participants are less likely, to be work registrants. However, although a small percentage of long-term participants were work registrants, they still represented a substantial portion of the work registrant population. In the cross-sectional cohort, slightly more than a third of the work registrants were long-term participants (Table 18). In the full panel population, nearly 20 percent participated for at least 24 consecutive months. When multiple-spell participants are added in, these percentages

**Table 17. Distribution of Work Registrants by Participation Category**

	Cross-Sectional Cohort*		Full Panel Population**	
	Number ( '000)	% of Work Registrants	Number ( '000)	% of Work Registrants
<b>Single Spell Participants</b>				
Short Term (1-8 months)	142.2	11.9	745.5	37.7
Medium Term (9-23 month)	153.5	12.9	208.2	10.5
Long Term ( $\geq$ 24 months)	440.7	37.0	370.7	18.7
<b>Multiple Spell Participants</b>	456.0	38.2	652.4	33.0
Short and Medium Term	135.1	11.3	137.5	7.0
Long Term	320.9	26.9	514.9	26.0
<b>All Participants Required to Register for Work</b>	1,192.4 (6.3%)	100.0	1,976.8 (6.8%)	100.0
<b>Exempt from Work Registration</b>	17,592.1	--	26,709.4	--

Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module (Wave 2).

\* n = 1,733 persons

\*\* n = 2,671 persons



increase to 75 and 51, respectively. *In other words, in any given month, three quarters of all work registrants are in the midst of a spell that will last two years or longer or are likely to return to the program after leaving.*

## **5.2 Characteristics of Work Registrants**

Tables 18 through 20 describe the education and employment history of work registrants in the full panel population. As shown in Table 18, less than half of the participants required to register for work had a high school diploma or the equivalent GED. Short-term participants were most likely to have a high school education, as was true for the FSP population in general (Table 9).

Many work registrants had already received some type of employability training. Table 19 shows that about one-fifth of the work registrants had received training through CETA, JTPA, the Veterans Administration (VA), or some other source. About half of these individuals received training through the VA. The majority of registrants received skills training and basic education services.

Data from the employment history module was used to analyze patterns of labor force participation for individuals required to register for work. Table 20 shows that two-thirds of the work registrants had not worked in the past year and over half had not worked in three years. Approximately 21 percent had never been in the labor force. Of these participants, the principal reason given for never entering the labor force was care of home and family (48 percent of those

**Table 18. Percentage of Work Registrants with High School Diploma or GED, by Participation Category**

	Number ( '000)	Percent with High School Diploma or GED
Work Registrants		
Short Term (1-8 months)	883.0	54.5
Medium Term and Long Term (≥ 9 months)*	1,093.8	33.8
All Work Registrants	1,976.8	43.0
All Food Stamp Participants 18 Years of Age or Over	14,717.0	52.5

Source: 1987 Survey of Income and Program Participation (SIPP) and Education and Training Module (Wave 2).

\* Combined due to small sample size

n = 239 persons

**Table 19.      Receipt of Training Services by Work Registrants**

	Number of Work Registrants	Percent Who Received Training	Percent Receiving JTPA Training	Percent Receiving CETA Training	Percent Receiving Veterans Training	Percent Receiving Other Training
Work Registrants:						
Short Term (1-8 months)	883.0	19.6	4.4	2.3	10.6	2.3
Medium and Long Term (9-28 months)	1,093.8	23.8	7.3	4.3	11.4	0.9
All Work Registrants	1,976.8	21.8	5.9	3.4	11.0	1.6

Source: 1987 Survey of Income and Program Participation (SIPP) and Education and Training Module (Wave 2).

n = 239 persons

**Table 20.      Employment History of Work Registrants**

	Number ( '000)	Percent Employed in Last Year	Percent Employed in Last Three Years	Percent Never Worked
<b>Work Registrants</b>				
Short Term (1-8 months)	992.0	21.2	27.7	14.0
Medium and Long Term (≥ 9 months)*	1,093.8	34.8	42.5	25.9
All Work Registrants	1,976.8	33.2	40.4	20.6

Source: 1987 Survey of Income and Program Participation (SIPP) and Employment History Module (Wave 2).

\* Combined due to small sample size

n = 239 persons

who never worked). Sixteen percent were students and the remaining 36 percent stated that they either could not find work, didn't want to work or had another reason.

Table 21 shows the reason given for leaving their last job, as reported by work registrants who had left a recent job. Approximately one-third gave layoff or temporary job as the reason for leaving their last job. Twenty percent stated family reasons such as pregnancy, health reasons or other family reasons.

### **5.3 Characteristics of Long-term Work Registrants**

The characteristics of long-term participants who were not exempt from work registration are presented in Table 22.<sup>22</sup> As seen in the table, the majority of long-term work registrants lived in households with children (57 percent). The vast majority of these households (87 percent) were not single-parent households. Households with children on average contained 3.1 children.

One-fifth of the long-term work registrants were single adults living alone, and an additional 22 percent lived in households of two or more adults without children. The average household size across all long-term work registrants was 4.2 persons, and the average monthly allotment was \$130. This average benefit is about \$10 higher than the average household benefit for all long-

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<sup>22</sup>The sample size for work registrants in the SIPP Panel was small (239 individuals). In order to examine the characteristics of long-term work registrants, multiple spell participants who were on the FSP for a total of 24 months or longer were combined with the single-spell long-term participants.

**Table 21. Reasons for Leaving their last job given by Work Registrants**

Reason:	Number ( '000)	%
Layoff/plant closed	309.4	23.7
Discharged	126.1	9.6
Temporary Job only	164.7	12.6
Found a better job	95.9	7.3
Retired	19.4	1.5
Did not like work or location	161.2	12.3
Dissatisfied with earnings	54.6	4.2
School	35.4	2.7
Pregnant/had Child	56.7	4.3
Health Reasons	68.7	5.3
Other family reason	142.7	10.9
Other reason	73.6	5.6
Total	1,308.4	100.0

Source: 1987 Survey of Income and Program Participation (SIPP) and Employment History Module (Wave 2).

n = 239 persons

**Table 22. Characteristics of Long-Term Work Registrants**

<u>Individual Characteristics:</u>	<u>SIPP Data</u>	<u>Administrative Data*</u>
Average Age	34.0	34.4
Average Years of Schooling	8.9	--
Average FSP Spell Length	27.2 months	--
% Receiving General Assistance	19.2	16.5
% Female	58.4	51.1
% African American	53.7	32.2
<u>Household Characteristics:</u>		
Households with Children	56.9 %	55.8 %
Pre-schoolers only	16.6 % **	17.3 % **
School-age children only	56.7 % **	59.6 % **
Both preschoolers and school-age children	26.7 % **	22.8 % **
Single Parent Households	7.5 %	13.6 %
Multiple Adult Households with kids	49.5 %	41.8 %
Single Adult only	20.7 %	28.6 %
Multiple Adults, no kids	22.4 %	15.6 %
Average Household Size	4.2 persons	3.0 person
Average # of Children	3.1 **	2.2 **
Average Monthly Food Stamp Benefit	\$130.00	\$151.00

Source: 1987 Survey of Income and Program Participation (SIPP).

\* Source: Summer 1987 Food Stamp Quality Control Sample. Administrative data is for all work registrants not just long-term registrants.

\*\* Average computed for households with children

n = 42 persons

term participants in the full panel population.

The average age of the long-term work registrants was 34. The majority (80 percent) did not finish high school. Approximately one-fifth received general assistance at some time during the 28-month panel. Their average duration on the food stamp program was 27.2 months (out of a possible 28 months). More than half (58 percent) were female and a similar proportion were African American (54 percent). These characteristics are not significantly different from the characteristics of work registrants in general, as seen in administrative data from that time period.



## **6.0 CONCLUSIONS**

The U.S. Department of Agriculture and other Federal agencies have sponsored a great deal of research on the dynamics and determinants of participation in the FSP and other assistance programs. From this research, three distinct groups of participants emerge -- those who rely on assistance to get them over short periods of financial difficulty, those who depend on assistance continually for a significant part of their lives, and those who receive assistance sporadically throughout their lives, but still rely on assistance for a substantial amount of time. While the existence of these distinct groups is accepted, little is known about their size or characteristics. It is likely that the characteristics of these groups vary considerably and that these differences may provide an understanding of why some people receive assistance for short periods of time while others seem unable to become self-sufficient.

This study uses the 1987 Survey of Income and Program Participation (SIPP) to describe time patterns of Food Stamp Program (FSP) participation. Participants who had only one participation spell during the survey period were classified as either short-term (on the program 8 months or less), medium-term (on the program 9-23 months) or long-term participants (on the program 24 months or longer). Persons who were on and off the FSP during the survey were classified as multiple-spell participants. Each group is described in terms of the proportion of the FSP they represent, the share of total benefits they receive, and the characteristics they share as distinct groups.

There are several alternative ways to measure time patterns on FSP participation. These methods include following an entry cohort for a fixed period of time, examining participation patterns of all individuals who participate in a given month, and examining the participation patterns of all individuals during a given reference period. Each method of analysis presents a very different picture of FSP participation patterns.

This study looked at both a cross-section of participants who were on the FSP in the first month of the survey (the cross-sectional cohort) and at all individuals who participated in the FSP for at least one month of the October 1986 through March 1989 survey period (the full panel population). From either perspective, a substantial proportion of FSP participants in the SIPP Panel were long-term participants (59 percent of the cross-sectional cohort and 33 percent of the full panel population). In fact, when taking multiple-spell participants into account, of the estimated 18.8 million persons who participated in the FSP at the beginning of the survey period, 11.6 million persons (62 percent) were also on the program at the end of the panel period 28 months later.

Table 23 provides a comparison of the distribution of the full panel and cross-sectional cohort populations when using alternative measures of participation (percent of participants, percent of participant-months, and percent of benefits). From this table it is apparent that the groups most dependent on assistance over time (long-term and multiple-spell participants) consumed a disproportionate share of program benefits. Although long-term participants made up only 59 percent of the cross-sectional population, they consumed 72 percent of the benefits. Multiple-

**Table 23. Distribution of FSP Population Using Alternate Measures of Participation**

	Full Panel Population			Cross-Sectional Cohort		
	% of participants	% of months	% of benefits	% of participants	% of months	% of benefits
<hr/>						
Single Spell Participants						
Short Term (1-8 months)	28.6	7.0	6.2	6.7	1.5	1.2
Medium Term (9-23 months)	12.4	11.6	11.8	7.8	3.1	3.1
Long Term ( $\geq$ 24 months)	33.4	55.6	56.9	58.9	70.7	71.7
Multiple Spell Participants	25.6	25.9	25.1	26.6	24.7	24.1
Totals	18.84 million	----	\$21.6 billion	18.78 million	----	\$17.3 billion
<hr/>						
	n = 2,671			n = 1,733		

spell participants accounted for an additional 24 percent, so a total of 96 percent of all benefits went to these two groups. Similarly, of the \$21.6 billion in benefits paid to the full panel population, 82 percent went to long-term and multiple-spell participants, although they made up only 58 percent of all participants. Short-term participants, who made up about 29 percent of the population, received only six percent of the benefits.

In addition to describing participation patterns and benefit consumption, we also looked at the characteristics of each participant group. By examining the differences between the participants groups, we may gain further insight into why some people remain on the program for a long time while others leave relatively quickly.

There were noticeable differences in household composition between long-term, multiple-spell, and other participants. The majority of single-elderly households (60 percent) were long-term participants. Likewise, single-parent households were likely to be dependent on food stamps, either as long-term or multiple-spell participants. In other words, arguably the two most vulnerable groups among the poverty population were the most likely to be dependent on the FSP over time.

Long-term participants were also more likely to be chronically poor. Eighty-nine percent of the long-term participants lived in households with incomes that were below the poverty line in the first month of FSP participation and 60 percent had incomes below poverty for all 28 months of the SIPP Panel. In contrast, only 58 percent of the short-term participants lived in households

with incomes below 100 percent of poverty in their first month on the FSP, and only four percent had incomes below poverty in every month. Multiple-spell participants, as expected, were most likely to drift in and out of poverty (76 percent), but were also likely to be poor in their first month of FSP participation (again, 76 percent). Clearly, the probability of participating for a long time increases as income falls. Conversely, the probability of leaving the program within eight months falls as income rises.

The income long-term participants did receive was more likely to come from public assistance than from employment. Sixty-three percent of long-term participants' household income came from means-tested transfers (compared to 42 percent for the full panel population in general); only 15 percent was from earnings. On the other hand, half of short-term participants' income was earned and only 20 percent was from transfers. Short-term participants were nearly four times as likely as long-term participants to be employed in their first month on the FSP.

Multiple-spell participants were more diverse in terms of their income sources: slightly more than one-third was from earnings, another one-third was from transfers, and one-quarter was from other sources, such as unemployment compensation. About half of all adult multiple-spell participants were either working (presumably at low-wage jobs as their incomes tended to be below poverty) or unemployed and actively seeking work.

Short-term participants achieved higher educational levels than long-term participants. While over 60 percent of short-term participants had completed high school, nearly 70 percent of long-

term participants had not. Clearly, the probability of participating for more than two years falls as education increases. Conversely, the probability of participating for less than eight months rises as education increases.

In general, these statistics paint a picture of long-term and multiple-spell participants as the most disadvantaged among the poor -- those with the least education, the fewest ties to the labor force, and the least available income.

Given the characteristics of long-term and multiple-spell participants, it is no surprise they were the least likely to be required to register for work under the FSP. Only four percent of long-term participants and nine percent of multiple-spell participants had to register for work. However, long-term participants represented a substantial portion of all work registrants -- 37 percent of the work registrants in the cross-sectional cohort were long-term participants. Multiple-spell participants made up another 38 percent.

These results indicate that, in a given month, three-quarters of all work registrants are in the midst of a spell that will last two years or more or are likely to return to the program after leaving. Since these groups also consume the greatest amount of program resources over time, targeting them with employment and training services may have the most impact. On the other hand, since so many work registrants are long-term or multiple-spell participants, targeting may not be necessary -- these individuals will show up in employment and training programs as a matter of course.

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## **APPENDIX A**

### **EFFECTS OF CENSORING IN SPELL DURATION**

As discussed in the text, when analyzing data collected over a fixed time period, such as the 1987 SIPP, two types of bias (or censoring) arise. The first is commonly referred to as "left censoring." This occurs when participation spells that were initiated prior to the beginning of the survey period are truncated due to the data collection process. Analyzing an entry cohort minimizes left censoring, because only households with newly-initiated participation spells are included in the study sample.

Table 3 in the text shows the extent of right censoring for the cross-sectional cohort and both right and left censoring for the full panel population. While censoring was not a problem in the cross-sectional cohort, in the full panel population over half of all short-term spells and over 80 percent of the medium-term spells were truncated due to the data collection process. The question then can be asked, how would this have changed if welfare history data were used to adjust spell length for the full panel population, and thereby reduce left-censoring?

Table A-1 presents a comparison of classifications of the full panel population with and without the use of the reciprocity history data. Use of retrospective information would reclassify 11 percent of the short-term participants as long-term and 12.2 percent as medium-term. Likewise, 36.5 percent of the medium-term recipients would be reclassified as long-term.



**Table A-1. Comparison of the Classification of FSP Participants Based on Full Panel Population and Incorporation of Historical Data**

Definition Based on SIPP Panel Only	Definition Incorporating Reciprocity History		
	Short term (1-8 months on FSP)	Medium Term (9-23 months on FSP)	Long Term (24 months or more)
	Number	Number	Number
<b>SINGLE SPELL PARTICIPANTS:</b>			
Short Term	6,300,381 (76.8%)	998,449 (12.2%)	901,500 (11.0%)
Medium Term	0 (0%)	2,247,505 (63.6%)	1,288,206 (36.5%)
Long Term	0 (0%)	0 (0%)	9,572,109 (100.0%)
Total Single Spell Participants	6,300,381 (29.6%)	3,245,954 (15.2%)	11,761,814 (55.2%)

Source: 1987 Survey of Income and Program Participation (SIPP) and Welfare History Module (Wave 2).

n = 2,015 persons